



*Office of the United States Attorney
District of Arizona*

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UNITED STATES REACHES \$4.3 MILLION SETTLEMENT WITH WELLS FARGO BANK AND TICOR TITLE

PHOENIX - The United States reached a civil settlement with Wells Fargo Bank and Ticor Title Agency of Arizona. In the settlement, Wells Fargo Bank has agreed to pay \$4,046,786 and Ticor Title has agreed to pay \$265,370.

Under certain circumstances, the Federal Housing Administration's "pre-foreclosure sales" program allows homeowners with federally-insured loans to avoid foreclosures by listing their homes for sale. If a sales price is not enough to pay-off a loan, then the lender submits an insurance claim to the Federal Housing Administration which will pay the lender the balance owing on the loan.

The United States contends that Wells Fargo Bank submitted more than 70 false claims to the Federal Housing Administration under the pre-foreclosure sales program and that Ticor Title prepared inaccurate escrow documents which allowed lenders to submit false claims to the Federal Housing Administration. The United States contends that it suffered \$2,156,078 in losses. Wells Fargo Bank and Ticor Title deny the United States' contentions but agreed to pay the amounts listed above.

The investigation leading to the settlement was conducted by the U.S. Department of Housing and Urban Development, Office of Inspector General.

RELEASE NUMBER: 2008-165(Wells Fargo settlement)

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